



February 23, 2023

**Testimony of Deborah Caviness, Co-Founder,
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Adam Wood, President & Founder
Connecticut Cannabis Chamber of Commerce, Inc.**

**In Opposition to H.B. 6700:
An Act Concerning Hemp Licensees And The Adult-use Cannabis Market**

Dear Members of the General Law Committee,

Thank you for the opportunity to provide testimony in opposition to H.B. 6700, An Act Concerning Hemp Licensees And The Adult-use Cannabis Market. The Connecticut Cannabis Chamber of Commerce is the voice of diverse stakeholders across the state's entire cannabis industry landscape. The organization was founded in 2022 to promote a safe, fair, and equitable cannabis industry in Connecticut through collaboration. CT Cannabis Chamber members represent current licensees; cultivators, retailers, 100% (Auto)manufacturers, etc. across all license categories. In addition, chamber membership includes a wide variety of industry-adjacent businesses that provide services to cannabis licensees. The mission of the CT Cannabis Chamber is to promote sensible policy, responsible growth, and effective development of Connecticut's cannabis industry.

We are writing to express our strong opposition to H.B. 6700, An Act Concerning Hemp Licensees And The Adult-use Cannabis Market, which would allow licensed hemp producers to apply for a cultivator or micro-cultivator license from the Department of Consumer Protection and expand the authorization of sales of hemp manufacturer products in additional licensed facilities.

While we understand the interest of hemp industry stakeholders to access the separate adult-use cannabis market, we believe that it would be of substantial detriment to the nascent adult-use



cannabis market in Connecticut. Passing this bill would be a direct contradiction of social equity-related aspects throughout Public Act 21-1, the prevailing theme across the statute's text. It would also severely threaten the economic stability of this fledgling industry by creating circumstances ripe for the type of oversupply issues seen in some other states where adult-use recreational cannabis sales have been made legal.

Allowing licensed hemp producers to jump ahead in the queue and become cannabis cultivators would completely undermine the established social equity-driven licensing process. Hemp farmers have had the same opportunity to apply for social equity or general license lotteries as anyone else, and the majority of hemp industry stakeholders chose not to engage with it. It is thoroughly unfair for them to be allowed to skip so many steps, as well as to avoid the expenditure of valuable time and ancillary resources other applicants employed in the submission of their applications. We trust that the members of this committee will see that hemp industry stakeholders are trying to sidestep the process to their benefit, at the expense of all others that have or would seek to enter the market. The balances struck by the law should not be undermined by this hazardous legislation; a bill markedly incongruent with the legislative intent of the Equitable and Responsible Regulation of Cannabis Act of 2021.

Furthermore, a rapid influx of hemp farmers converting to cannabis cultivation would almost certainly create an oversupply of products in the market, leading to potentially disastrous economic consequences. Michigan, Colorado, Washington, Oregon, Oklahoma, and even neighboring Massachusetts have experienced significant oversupply conditions when the market balances between cultivation, retail, and consumers are not properly attenuated, threatening the long-term health and viability of their recreational cannabis markets. The Commissioners and staff of the Department of Consumer Protection, in working with the dedicated members of Connecticut's Social Equity Council, have made tireless efforts to strike an appropriate balance in the construction and implementation of the existing licensing process. Creating an alternate avenue for existing hemp growers would disrupt, diminish and spoil that balance. It is only fair for hemp farmers to follow the same process as everyone else and apply for future lotteries, rather than being given an undue advantage.

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Passing H.B. 6700 would do unreasonable harm to existing cannabis businesses and licensees that played by the rules, and have already invested substantial resources to become licensed. If passed, this bill could create confusion and chaos in the industry, which could ultimately harm consumers and undermine the overall integrity of the market. Allowing hemp producers to skip ahead in the queue would send a clear message that the most fundamental rules around industry can change at any time in Connecticut, without warning. That could quickly discourage future investment in the adult-use cannabis market and other industries across the state.

The Connecticut Cannabis Chamber of Commerce stands with licensees and those who would engage the social equity of general lottery processes to attain licensing. We oppose H.B. 6700 and urge the members of this committee to carefully consider the consequences of this bill on the nascent adult-use cannabis market in Connecticut and reject it in its entirety. Hemp producers were and continue to be afforded the same opportunities as those who chose to engage with the process. Please do not reward them for holding out for a legislative pass to accelerate and simplify their entry into a market they were never unfairly hindered from entering. Thank you for your time and consideration.

Sincerely,

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